

2021 – 2025 Fair Housing Action Plan (FHAP)

Oregon's 2023 Report



Introduction

Oregon's 2021-2025 Analysis of Impediments to Fair Housing Choice (AI) identifies various impediments and barriers to fair housing choice, and suggested actions to address those impediments. Based on the AI, Oregon developed a 2021-2025 Fair Housing Action Plan (FHAP). The plan details the actions Oregon prepared to focus on over the 2021-2025 Consolidated Plan period.

The following report outlines the research findings and impediments identified in the AI, and the actions Oregon took in 2023 to address them.

Research Finding 1: Members of protected classes, particularly people with disabilities and people of color, experience disparities in rental housing choice.

Impediments found to contribute to disparities in rental housing choice for members of protected classes include:

- **Impediment 1-1.** Shortage of rental housing units affordable to 30%-50% Median Family Income (MFI) disproportionately impacts people of color, persons with disabilities, and single parent households.
- **Impediment 1-2.** Direct discrimination on the basis of protected class status.
- **Impediment 1-3.** Broad application of criminal history, eviction, and poor credit tenant screening disproportionately impacts persons of color, people with Severe Persistent Mental Illness (SPMI), people with a history of Substance Use Disorders (SUDS). Social Security Number (SSN) requirements impact undocumented residents.
- **Impediment 1-4.** Residents with disabilities cannot find accessible and affordable rental units, especially in rural Oregon, and often live in housing that is in poor condition or does not meet their accessibility needs.
- **Impediment 1-5.** Naturally Occurring Affordable Housing (NOAH) is often in poor condition in rural Oregon. In non-entitlement areas, 15 percent of Hispanic households live in substandard housing conditions.
- **Impediment 1-6.** Source of income discrimination persists. Fines are too low to spur widespread compliance and noncompliance is perceived as a low risk. The Housing Choice Landlord Guarantee Program – is not considered an effective and efficient remedy.

Progress towards **Action Items** designed to address identified impediments:

- **Action items for impediment 1-1.** Shortage of rental housing units affordable to 30%-50% Median Family Income (MFI) disproportionately impacts people of color, persons with disabilities, and single parent households.

a. Continue to prioritize rental housing development and preservation in rural Oregon, emphasizing the Statewide Housing Plan Equity and Racial Justice and the Rural Communities priorities.

As a general standard practice, OHCS continues to provide avenues for rural communities in funding offerings. Most offerings have specific population criteria set asides to assure that like communities are competing against one another. In others scoring criteria is set up so that population and geography are factored into the process to assure fairness and appropriate geographical representation. OHCS understands that rural communities have other disadvantages including access to leveraged funds, limited capital availability, supportive service limitations, etc. OHCS attempts to work with rural communities to identify and eliminate those barriers wherever possible.

Similar to the Rural Community priority, Equity and Racial Justice is also one of six established priorities in the OHCS Statewide Housing Plan. ERJ measures are included in OHCS offerings including mandatory Diversity, Equity & Inclusion Agreements, incentives to work with Community Based Organizations, Fair Housing Marketing Plan requirements and many awards include goals associated with contracts for Minority, Women & Emerging Small Businesses (MWESB). OHCS continues to educate, learn, and expand ERJ principles within its agencies and its funding offerings attempting to be fully inclusive and bridge economic and opportunity gaps created through a history of discrimination and exclusionary practices.

b. Continue to fund fair housing enforcement, including testing, to address direct housing discrimination.

From November 2021 through May 2022, OHCS engaged in a series of discussions with the Oregon Fair Housing Council (FHCO) to reassess and renew the State's contract with FHCO for Fair Housing Discrimination Audit Testing. During these discussions, FHCO shared their insight and concerns regarding the effectiveness of the structure, tone, and expectations that framed the contract's current testing and enforcement model. For example, FHCO reported that they cannot conduct testing on properties with wait lists, which eliminates most properties in Oregon.

Additionally, they suggested that OHCS review and update the internal complaints process to better support identification of fair housing violations and outline accountability measures. FHCO highlighted key gaps and challenges to the processes set forth in the contract and encouraged OHCS to explore a more effective path to identifying housing discrimination in state and federally subsidized properties. With FHCO's advising, OHCS has allowed the testing contract to expire and is currently working to identify and strengthen internal processes and policies related to Fair Housing Discrimination. OHCS has bolstered a separate grant to FHCO that supports their core functions which includes: a fair housing hotline, community resources, and serving as a key information source and connector in Oregon. OHCS is also working to strengthen and clarify complaints and Fair Housing Discrimination identification processes in partnership with Oregon Bureau of Labor and Industries (BOLI), which serves as the primary enforcement entity in Oregon for Fair Housing discrimination and civil rights violations.

In November 2023, FHCO and OHCS renewed its contract to provide statewide access to fair housing resources, including FHCO's discrimination hotline, provide education and training services including up to 15 trainings per year and outreach activities designed to inform community groups, stakeholders, housing providers, and policy making bodies specifically non-entitlement areas.

c. Support regulatory changes to strengthen the state's source of income protection including increased resources dedicated to enforcement, higher fines, and piloting locally-delivered housing provider protection/insurance funds.

Through HB 3151, the Oregon Legislature passed that limits improvements that landlord of manufactured dwelling park may require of tenant. It also extends the sunset of the Dispute Resolution Advisory Committee to 2027, as well as OHCS grant-making authority to provide legal aid to tenants of manufactured home parks. SB 3417 was introduced in the 2023 session which, had it passed, would have required owners of multifamily rental housing to offer right of first refusal to tenants who form tenant committee and membership entity. Additionally, HB 3417 passed which expands the Housing Choice Landlord Guarantee Program to include landlords providing housing to tenants who received rental assistance under specified rehousing initiatives.

d. Review the effectiveness if recent legislation (e.g. HB 2001) in expanding the supply of housing in the balance of the state. If units are not being built, identify remaining barriers, which could include other land use or environmental rules, and develop policies or incentives to mitigate them.

The Oregon State Legislature passed HB 3462 which provides that if OHCS and the Oregon Emergency Management, or Oregon Department of Human Services

provides temporary housing to displaced individuals in response to emergency, agencies shall ensure housing is safe and provided in compliance with state and federal laws relating to discrimination. Provides that, if federal housing resources are made available to affected community in response to emergency, named state agencies may provide similar or equivalent resources to community members who are ineligible to receive aid. Additionally, the Oregon Department of Human Services received \$20.9 million for refugee services and housing.

- e. **Consider investing in a system for Oregon that replaces lists of affordable housing rental development with a single system for search and application, by matching applicants to properties and streamlining the process. San Francisco’s system is the best in class nationally.**

Oregon has a disproportionately large population of individuals in need of housing services. A major barrier to these individuals has been navigating the housing market. This is due to a lack of availability, administrative barriers, and a succession of systems meant to address the problem.

Implementing efficient housing navigation systems may bridge the gap between individuals experiencing chronic homelessness and their ability to enter permanent and sustainable housing. A housing navigation system is a search engine that specializes in assisting clients with finding affordable rental housing. This can be done in several ways such as providing resources to fill out housing applications, joining a waiting list, being able to directly communicate with property-owners, or handling any complications that would stop them from passing background checks. Equipped with this information, legislators should be able to invest a housing navigation system that not only produces sustainable results, but also builds transparency at every opportunity, and improves the quality of life for those caught in a cycle of homelessness.

San Francisco faces a significant challenge with people experiencing homelessness. In response, San Francisco created DAHLIA (Database of Affordable Housing, Listings, Information, and Applications) an affordable housing navigation system. DAHLIA could be a model that other cities use for guidance. Housing listings now tell a visual story, utilizing illustrations and layman’s terms to guide applicants through the process. Lottery preferences and eligibility criteria are spelled out before applying, focusing on those details that allow applicants to easily identify an important opportunity. On the backend, San Francisco staff is now able to run housing lotteries digitally (which means no more names on a piece of paper, or individuals crowded into a room), oversee and store submissions in one database, and identify duplicates through the system. DAHLIA has also started to give San

Francisco insight into the types of users searching for affordable housing. This critical data can help inform the Mayor's Office on policies and programs to serve the San Francisco community better and more equitably.

OHCS continues to research a streamlined database as well to assist with as many housing resources in one place as possible, including housing authority and coordinated entry resources. A sustainable and efficient housing navigation system would increase the number of housing opportunities for people throughout the state.

- **Action items for impediment 1-2.** Direct discrimination on the basis of protected class status.

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d. Support adding immigrants and refugees as a protected class at the state level.

Senate Bill 778 signed by Gov. Brown in 2021 established the Office of Immigrant and Refugee Advancement. The purpose of the office will be to advocate for and partner with statewide immigrant and refugee programs and organizations to offer long term support and services to meet the needs of these populations within the state. The office will partner across state agencies and help coordinate strategies, convene stakeholders, and provide policy support. As of today's date, the office has a newly appointed Director, with plans to bring on additional staff and begin work on program infrastructure and strategic planning. OHCS expects the Office of

Refugee and Immigrant Advancement will be a key partner in policy discussions related to this action item in 2022 and 2023.

- e. Reform the state housing provider protection/insurance fund to be more responsive to housing provider needs and expand the fund or develop other incentives to mitigate or offset the risk housing providers take when renting to high barrier tenants who otherwise would not meet standard screening criteria (e.g., prior eviction, criminal history, poor credit).**

Tenants who are at or below 60% of area median income, who have high barriers to finding permanent housing and who have graduated from an approved tenant readiness education course are provided a guarantee of up to \$5,000 that will reimburse landlords for eligible expenses related to their tenancy if the program participant vacated or was evicted from a unit within the first 12 months of tenancy. High barriers to permanent housing include having a poor credit history or ratings, lack of rental history, having a criminal history, having been a ward of the state within the past 10 years and is at least 16 years of age and less than 27 years of age, and/or having a history of housing eviction(s). Such participants may take a 15-hour tenant readiness education course that assists them in understanding landlord/tenant law, applying for and retaining permanent housing, understanding their rental agreement, learning about budgeting and credit worthiness, how to overcome barriers to housing and other topics related to housing. The Rent Guarantee Program was previously available in 23 of Oregon's 36 counties through 12 program providers. The course had to be taken within the service area of a provider and in-person. In 2021, additional funding was secured from the state that allowed a single curriculum to be instituted and expanded the curriculum throughout all 36 counties of the state for consistency and widespread education opportunities. The new curriculum, Rent Well, offers two options for tenants attending the classes – they may either attend the class in-person or through Zoom at over 170 provider organizations or they may elect to take the e-Course that allows the tenant to attend the education on their own time and pace with help from a personal Support Specialist. These changes have allowed Oregon to be more responsive to those needing permanent housing that have high barriers to achieving that outcome, has streamlined the program, and has made the program available to all eligible Oregonians, building on successful strategies and helping bridge the gap to obtaining permanent housing for those in need.

- f. Convene housing providers and fair housing stakeholders to develop a best practice process housing providers can use to fairly screen applicants who are undocumented and a process for individualized assessments for those with**

criminal histories. Learn from Portland’s implementation of the FAIR ordinance.

In 2021 OHCS contracted with Stamberger Outreach Consulting to engage farmworkers in Oregon and produce, *Cultivating Home: A Study of Farmworker Housing in Hood River, Marion, Morrow, and Yamhill Counties in Oregon*. The project interviewed farmworkers, agricultural employers, and key informant agency staff as well as completing extensive research into local and national housing data. In March 2022, the initial draft of the report was presented to OHCS' Agricultural Workforce Housing Facilitation Team. The findings of the report are currently being shared with the relevant programs and further exploration of the report findings and pathways to support this action item will take place in 2022 and 2023.

- g. Consider investing in a system for Oregon that replaces lists of affordable housing rental development with a single system for search and application, by matching applicants to properties and streamlining the process. San Francisco’s system is the best in class nationally.**

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c. Continue to fund home rehabilitation for low and moderate income homeowners.

The Community Development Block Grants (CDBG) program owner occupied housing rehabilitation program is designed to help low-moderate community members maintain their homes in such a condition that is decent, safe, and sanitary. Many of the housing rehabilitation programs around the state help senior age in place by improving accessibility to their home. This would include installing ramps, roll in showers, increasing the height of toilets, etc. The housing rehabilitation program is overseen by local governments but implemented by local

non-profits with affordable housing as their main objective. Due to rural Oregon's poor housing conditions many of these non-profit organization's rehabilitation programs are overprescribed, there is never enough money for the demand. With current trend of overly priced/lack of affordable housing, HR program assist in:

- Aging in place in a healthy and safe home
- Preserve low-income housing availability
- Which subsequently help prevent homelessness

With our Homeowner Assistance Program (HOAP), we do have funds for our Restore Health and Safety Program. This program is to repair and restore health and safety needs (such as ramps into the home, grab bars, widening of doors, etc.) of site-built homes along with manufactured homes in parks and on fee simple land. These funds are offered through a Request for Application (RFA) and awarded to eligible organizations. With the Pandemic and all the Emergency funding that was received by the Agency, our current solicitation for this program should be available mid-summer 2022, with funding being available for use in the latter part of summer.

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e. Explore developing an incentive program to improve the condition of naturally occurring affordable rental housing while preserving affordability. For example, grants or low interest loans for condition improvements in exchange for guaranteed affordability for a term of years. Similarly, explore incentives for housing providers to increase the number of accessible units among their properties.

The Acquisition of Naturally Occurring Housing (ANOAH) framework has revamped

from the initial framework and was subsequently approved by the Housing Stability Council in August of 2022. Following this approval, OHCS developed a Request for Proposals (RFP) to solicit a Community Development Financial Institution (CDFI) to design and administer a revolving social impact fund to leverage the \$10 million of legislative funds earmarked for this program. The developed fund will be used to acquire NOAH throughout Oregon and is eligible to both affordable housing and market-rate nonprofit and for-profit entities.

f. Identify and implement effective strategies (e.g., incentives, requirements) to increase the number of accessible and adaptable affordable rental housing units statewide.

OHCS developed a memo to provide a brief overview of how accessibility affects the Development Resource and Production (DRP) section of the agency. This memo focused on the operational statutory and regulatory elements of accessibility namely, the Oregon Structural Specialty Code (OSSC), Title II of the American Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973, and Oregon Visitability, and their impact to housing projects funded by the department during development and rehabilitation process within the DRP section. The impacts were assessed and action items to improve policies and procedures throughout project development and compliance were developed.

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From November 2021 through May 2022, OHCS engaged in a series of discussions with the Oregon Fair Housing Council (FHCO) to reassess and renew the State's contract with FHCO for Fair Housing Discrimination Audit Testing. During these discussions, FHCO shared their insight and concerns regarding the effectiveness of the structure, tone, and expectations that framed the contract's current testing and enforcement model. For example, FHCO reported that they cannot conduct testing on properties with wait lists, which eliminates most properties in Oregon. Additionally, they suggested that OHCS review and update the internal complaints process to better support identification of fair housing violations and outline accountability measures. FHCO highlighted key gaps and challenges to the processes set forth in the contract and encouraged OHCS to explore a more effective path to identifying housing discrimination in state and federally subsidized properties. With FHCO's advising, OHCS has allowed the testing contract to expire and is currently working to identify and strengthen internal processes and policies related to Fair Housing Discrimination. OHCS has bolstered a separate grant to FHCO that supports their core functions which includes: a fair housing hotline, community resources, and serving as a key information source and connector in Oregon. OHCS is also working to strengthen and clarify complaints and Fair Housing Discrimination identification processes in partnership with Oregon Bureau of Labor and Industries (BOLI), which serves as the primary enforcement entity in Oregon for Fair Housing discrimination and civil rights violations.

In November 2023, FHCO and OHCS renewed its contract to provide statewide access to fair housing resources, including FHCO's discrimination hotline, provide education and training services including up to 15 trainings per year and outreach activities designed to inform community groups, stakeholders, housing providers, and policy making bodies specifically non-entitlement areas.

c. Continue to fund home rehabilitation for low and moderate income homeowners.

The Community Development Block Grants (CDBG) program owner occupied housing rehabilitation program is designed to help low-moderate community members maintain their homes in such a condition that is decent, safe, and sanitary. Many of the housing rehabilitation programs around the state help senior age in place by improving accessibility to their home. This would include installing ramps, roll-in showers, increasing the height of toilets, etc. The housing rehabilitation program is overseen by local governments but implemented by local non-profits with affordable housing as their main objective. Due to rural Oregon's poor housing conditions many of these non-profit organization's rehabilitation programs are overprescribed, there is never enough money for the demand. With current trend of overly priced/lack of affordable housing, HR program assist in:

- Aging in place in a healthy and safe home
- Preserve low-income housing availability
- Which subsequently help prevent homelessness

With our Homeowner Assistance Program (HOAP), we do have funds for our Restore Health and Safety Program. This program is to repair and restore health and safety needs (such as ramps into the home, grab bars, widening of doors, etc.) of site-built homes along with manufactured homes in parks and on fee simple land. These funds are offered through a Request for Application (RFA) and awarded to eligible organizations.

d. Explore developing an incentive program to improve the condition of naturally occurring affordable rental housing while preserving affordability. For example, grants or low interest loans for condition improvements in exchange for guaranteed affordability for a term of years. Similarly, explore incentives for housing providers to increase the number of accessible units among their properties.

OHCS established a framework around a Naturally Occurring Affordable Housing (NOAH) and received Legislative funding to implement the program just before the COVID-19 pandemic. These funds were converted with the approval of the Legislature to provide pandemic relief. In the 2021 Legislature \$10 million dollars was allocated to OHCS for this purpose and OHCS is currently working on revisiting the initial framework which used the NOAH funds as seed money for a larger loan program. OHCS is not currently working on an incentive program to increase the number of accessible units, but we are in the discussion phase of what an initiative around this issue would look like.

- e. **Consider investing in a system for Oregon that replaces lists of affordable housing rental development with a single system for search and application, by matching applicants to properties and streamlining the process. San Francisco’s system is the best in class nationally.**

Oregon has a disproportionately large population of individuals in need of housing services. A major barrier to these individuals has been navigating the housing market. This is due to a lack of availability, administrative barriers, and a succession of systems meant to address the problem.

Implementing efficient housing navigation systems may bridge the gap between individuals experiencing chronic homelessness and their ability to enter permanent and sustainable housing. A housing navigation system is a search engine that specializes in assisting clients with finding affordable rental housing. This can be done in several ways such as providing resources to fill out housing applications, joining a waiting list, being able to directly communicate with property-owners, or handling any complications that would stop them from passing background checks. Equipped with this information, legislators should be able to invest a housing navigation system that not only produces sustainable results, but also builds transparency at every opportunity, and improves the quality of life for those caught in a cycle of homelessness.

San Francisco faces a significant challenge with people experiencing homelessness. In response, San Francisco created DAHLIA (Database of Affordable Housing, Listings, Information, and Applications) an affordable housing navigation system. DAHLIA could be a model that other cities use for guidance. Housing listings now tell a visual story, utilizing illustrations and layman’s terms to guide applicants through the process. Lottery preferences and eligibility criteria are spelled out before applying, focusing on those details that allow applicants to easily identify an important opportunity. On the backend, San Francisco staff is now able to run housing lotteries digitally (which means no more names on a piece of paper, or individuals crowded into a room), oversee and store submissions in one database, and identify duplicates through the system. DAHLIA has also started to give San Francisco insight into the types of users searching for affordable housing. This critical data can help inform the Mayor's Office on policies and programs to serve the San Francisco community better and more equitably.

OHCS continues to research a streamlined database as well to assist with as many housing resources in one place as possible, including housing authority and coordinated entry resources. A sustainable and efficient housing navigation system

would increase the number of housing opportunities for people throughout the state.

- **Action items for impediment 1-6.** Source of income discrimination persists. Fines are too low to spur widespread compliance and noncompliance is perceived as a low risk. The Housing Choice Landlord Guarantee Program – is not considered an effective and efficient remedy.

a. Continue to prioritize rental housing development and preservation in rural Oregon, emphasizing the Statewide Housing Plan Equity and Racial Justice and the Rural Communities priorities.

As a general standard practice, OHCS continues to provide avenues for rural communities in funding offerings. Most offerings have specific population criteria set asides to assure that like communities are competing against one another. In others scoring criteria is set up so that population and geography are factored into the process to assure fairness and appropriate geographical representation. OHCS understands that rural communities have other disadvantages including access to leveraged funds, limited capital availability, supportive service limitations, etc. OHCS attempts to work with rural communities to identify and eliminate those barriers wherever possible.

Similar to the Rural Community priority, Equity and Racial Justice is also one of six established priorities in the OHCS Statewide Housing Plan. ERJ measures are included in OHCS offerings including mandatory Diversity, Equity & Inclusion Agreements, incentives to work with Community Based Organizations, Fair Housing Marketing Plan requirements and many awards include goals associated with contracts for Minority, Women & Emerging Small Businesses (MWESB). OHCS continues to educate, learn, and expand ERJ principles within its agencies and its funding offerings attempting to be fully inclusive and bridge economic and opportunity gaps created through a history of discrimination and exclusionary practices.

b. Continue to fund fair housing enforcement, including testing, to address direct housing discrimination.

From November 2021 through May 2022, OHCS engaged in a series of discussions with the Oregon Fair Housing Council (FHCO) to reassess and renew the State's contract with FHCO for Fair Housing Discrimination Audit Testing. During these discussions, FHCO shared their insight and concerns regarding the effectiveness of the structure, tone, and expectations that framed the contract's current testing and enforcement model. For example, FHCO reported that they cannot conduct testing

on properties with wait lists, which eliminates most properties in Oregon. Additionally, they suggested that OHCS review and update the internal complaints process to better support identification of fair housing violations and outline accountability measures. FHCO highlighted key gaps and challenges to the processes set forth in the contract and encouraged OHCS to explore a more effective path to identifying housing discrimination in state and federally subsidized properties. With FHCO's advising, OHCS has allowed the testing contract to expire and is currently working to identify and strengthen internal processes and policies related to Fair Housing Discrimination. OHCS has bolstered a separate grant to FHCO that supports their core functions which includes: a fair housing hotline, community resources, and serving as a key information source and connector in Oregon. OHCS is also working to strengthen and clarify complaints and Fair Housing Discrimination identification processes in partnership with Oregon Bureau of Labor and Industries (BOLI), which serves as the primary enforcement entity in Oregon for Fair Housing discrimination and civil rights violations.

In November 2023, FHCO and OHCS renewed its contract to provide statewide access to fair housing resources, including FHCO's discrimination hotline, provide education and training services including up to 15 trainings per year and outreach activities designed to inform community groups, stakeholders, housing providers, and policy making bodies specifically non-entitlement areas.

c. Support regulatory changes to strengthen the state's source of income protection including increased resources dedicated to enforcement, higher fines, and piloting locally-delivered housing provider protection/insurance funds.

Through HB 3151, the Oregon Legislature passed that limits improvements that landlord of manufactured dwelling park may require of tenant. It also extends the sunset of the Dispute Resolution Advisory Committee to 2027, as well as OHCS grant-making authority to provide legal aid to tenants of manufactured home parks. SB 3417 was introduced in the 2023 session which, had it passed, would have required owners of multifamily rental housing to offer right of first refusal to tenants who form tenant committee and membership entity. Additionally, HB 3417 passed which expands the Housing Choice Landlord Guarantee Program to include landlords providing housing to tenants who received rental assistance under specified rehousing initiatives.

d. Consider investing in a system for Oregon that replaces lists of affordable housing rental development with a single system for search and application, by matching applicants to properties and streamlining the process. San Francisco's system is the best in class nationally.

Oregon has a disproportionately large population of individuals in need of housing

services. A major barrier to these individuals has been navigating the housing market. This is due to a lack of availability, administrative barriers, and a succession of systems meant to address the problem.

Implementing efficient housing navigation systems may bridge the gap between individuals experiencing chronic homelessness and their ability to enter permanent and sustainable housing. A housing navigation system is a search engine that specializes in assisting clients with finding affordable rental housing. This can be done in several ways such as providing resources to fill out housing applications, joining a waiting list, being able to directly communicate with property-owners, or handling any complications that would stop them from passing background checks. Equipped with this information, legislators should be able to invest a housing navigation system that not only produces sustainable results, but also builds transparency at every opportunity, and improves the quality of life for those caught in a cycle of homelessness.

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OHCS continues to research a streamlined database as well to assist with as many housing resources in one place as possible, including housing authority and coordinated entry resources. A sustainable and efficient housing navigation system would increase the number of housing opportunities for people throughout the state.

Research Finding #2: People of color disproportionately experience barriers to attaining homeownership.

Impediments found to contribute to people of color disproportionately experiencing barriers to attaining homeownership include:

- **Impediment 2-1.** Historical segregation and disinvestment coupled with past discrimination in lending and disparities in access to economic opportunity creates a wealth gap that negatively impacts mortgage lending outcomes.
- **Impediment 2-2.** Lenders deny Black and African American, Native American, and Latino/Hispanic applicants at higher rates than non-Hispanic White applicants, and these higher denial rates persist even after accounting for income
- **Observation.** Applicants of color are much more likely than non-Hispanic White applicants to be denied loans for refinancing, home improvements, or cash out of refinancing.

Recommended Action Items to address impediments:

- **Action items for impediment 2-1.** Historical segregation and disinvestment coupled with past discrimination in lending and disparities in access to economic opportunity creates a wealth gap that negatively impacts mortgage lending outcomes.
 - a. **Continue to support and enhance the Residential Loan Program (Oregon Bond Residential Loan Program). Review and strengthen affirmative marketing of the program to members of protected classes in the balance of state. Continue to strengthen partnerships with lenders and CDFIs to increase lending opportunities in rural communities.**

We have continued to work with our mortgage lenders with collecting the required Home Mortgage Disclosure Act information (HMDA) demographic data on the mortgage loan application. We have also created our own Mortgage Disclosure form to help us capture the demographic data of our mortgage loan borrowers. We created this form to be signed at escrow during the mortgage loan closing process. This form explains to the borrowers why OHCS is asking for this data. Here is what we have on our document: “At OHCS we care about our communities, and as part of our Statewide Housing Plan we are striving to serve a more diverse Oregon. In order to ensure we have accurately collected your information please fill out the section below.” Since implementing this form, we have seen an uptick in borrower data provided. We have also seen an increase in our rural communities with our

established lenders who provide our first-time homebuyer mortgage loan program.

b. Continue the Oregon Individual Development Account (IDA) Initiative. Review and strengthen affirmative marketing of the program, particularly to communities of color in the balance of state.

Bolstered by the 2019-2023 OHCS Statewide Housing Plan, the IDA Initiative (provided through a contract relationship with the nonprofit, Neighborhood Partnerships (NP) to administer the program) further centered equity, racial justice, and harm reduction in program design, delivery, narratives, and outcomes. Focus in the past year has been on increasing IDA provider knowledge and training around equity and ensuring that policy remains responsive to participants' changing financial situations and needs during the pandemic and rural wildfire crisis. The Equity Training and Workshop series delivered seven training opportunities in IDA Providers in 2021, with topics such as Equity Filters and Program Design, and Economic Legacies Matter. In 2021 the Oregon Legislature renewed the IDA tax credit for 6 years and allocated \$7M from General Funds, and approved program-related statute changes. Some examples of these important changes include, shifts to more inclusive definitions, and an increase in earnable match from \$3000 to \$6000 in a 12-month period. Two new Fiduciary Organizations (FO) were brought into the IDA Provider Network in 2021. The new FOs are positioned to expand IDA reach into communities of color and in areas in the balance of the state. In 2022 two understandings will continue to guide the strategic direction of programming and funding: People need wealth to build wealth, and there persists a significant racial wealth gap in Oregon. IDA Asset Options will continue to support Economic Stability, Wealth Building, and Bridging (asset options to counter to the wealth stripping that contributes to the racial wealth gap).

c. Continue to provide down payment assistance for low-income homebuyers, focusing on homebuyers of color. Look for opportunities to strengthen affirmative marketing to communities of color in the balance of state. Consider conducting focus groups or other consultation with residents of color to increase the effectiveness of state homeownership programs in serving communities of color.

The downpayment assistance and closing costs programs are administered by participating organizations for households with incomes at or below 100% area median income (AMI). The program is funded through the states' document recording fee and local construction excise taxes (CET). The state has also occasionally received general funds to supplement down payment assistance for culturally responsive organizations. In 2022, OHCS created a new DPA Framework which adds first generation homebuyers as eligible recipients of DPA. In response

to rising home prices, OHCS increased the amount of document recording fee resource available per household from \$15 thousand to \$30 thousand for First-Time Homebuyers and Veterans and \$60 thousand for First Generation Homebuyers or 20% of the purchase price (whichever is less). Organizations can layer additional CET funds on top of the document recording fee funds.

- d. Continue to support homeownership counseling, homebuyers education, and financial education programs for low income Oregonians. Review and strengthen affirmative marketing of such programs to communities of color in the balance of state.**

Oregon supports 16 Homeownership Center (HOCs) by allocating funds to provide statewide coverage. Five of the HOCs are Culturally Specific: African American Alliance for Homeownership (AAAH), Bienstar Inc., Hacienda CDC, Portland Community & Reinvestment Initiative (PCRI), and Native American Youth & Family Center (NAYA). The program helps low- and moderate-income families with pre-purchase homebuyer education, financial coaching, financial literacy education and mortgage default counseling.

Additionally, in 2023, OHCS launched a new program focused on ending racial disparities in homeownership and provided outreach and language access grants to 14 communities based organizations to increase affirmative marketing and access to homeownership programs in a culturally responsive way.

- e. Engage the Portland branch of the Federal Reserve Bank of San Francisco to sponsor a workshop to identify actionable solutions to disparities in mortgage lending and the homeownership rate of persons of color in Oregon.**

We have worked with the Federal Reserve Bank of San Francisco in the past but have not yet begun discussions on this topic. We look forward to continuing to collaborate with the Federal Reserve Bank to ensure that these matters raised by our organization, and the individuals we support, are integrated into our guidelines.

Relatedly, in 2022, OHCS developed a new mortgage lending program called Flex Lending. Flex Lending is a first mortgage lending program coupled with downpayment assistance and provided by OHCS partners lenders who have locally based loan officers and staff. With the launch of this program in 2023, we hope we will be adding one more safe mortgage product that can help address disparities in mortgage lending and the racial homeownership gap in Oregon.

- f. Explore the potential to help low and moderate income renters build credit through a positive rental reporting requirement; the credit bureaus will include positive rental payments in credit scores if they receive the information. This may**

include empowering tenants to opt to have rent payments reported to consumer credit bureaus in order to build credit through homeownership or other financial counseling programs.

It is currently up to individual property managers and rental companies to track and report out on the rental history and positive payments. OHCS does not currently collect data on which companies are participating or are willing to participate in producing positive rental reporting or those willing to receive reports in lieu of a credit check. However, we do know that several public housing agencies in Oregon – including Home Forward and Housing Authority of Clackamas County – successfully report tenant rent to the credit bureaus.

- **Action items for impediment 2-2.** Lenders deny Black and African American, Native American, and Latino/Hispanic applicants at higher rates than non-Hispanic White applicants, and these higher denial rates persist even after accounting for income.

- a. **Continue to support and enhance the Residential Loan Program (Oregon Bond Residential Loan Program). Review and strengthen affirmative marketing of the program to members of protected classes in the balance of state. Continue to strengthen partnerships with lenders and CDFIs to increase lending opportunities in rural communities.**

We have continued to work with our mortgage lenders with collecting the required Home Mortgage Disclosure Act information (HMDA) demographic data on the mortgage loan application. We have also created our own Mortgage Disclosure form to help us capture the demographic data of our mortgage loan borrowers. We created this form to be signed at escrow during the mortgage loan closing process. This form explains to the borrowers why OHCS is asking for this data. Here is what we have on our document: “At OHCS we care about our communities, and as part of our Statewide Housing Plan we are striving to serve a more diverse Oregon. In order to ensure we have accurately collected your information please fill out the section below.” We have also seen an increase in our rural communities with our established lenders who provide our first-time homebuyer mortgage loan program.

- b. **Continue the Oregon Individual Development Account (IDA) Initiative. Review and strengthen affirmative marketing of the program, particularly to communities of color in the balance of state.**

Bolstered by the 2019-2023 OHCS Statewide Housing Plan, the IDA Initiative (provided through a contract relationship with the nonprofit, Neighborhood Partnerships (NP) to administer the program) further centered equity, racial justice, and harm reduction in program design, delivery, narratives, and outcomes. Focus in

the past year has been on increasing IDA provider knowledge and training around equity and ensuring that policy remains responsive to participants' changing financial situations and needs during the pandemic and rural wildfire crisis. The Equity Training and Workshop series delivered seven training opportunities in IDA Providers in 2021, with topics such as Equity Filters and Program Design, and Economic Legacies Matter. In 2021 the Oregon Legislature renewed the IDA tax credit for 6 years and allocated \$7M from General Funds, and approved program-related statute changes. Some examples of these important changes include, shifts to more inclusive definitions, and an increase in earnable match from \$3000 to \$6000 in a 12-month period. Two new Fiduciary Organizations (FO) were brought into the IDA Provider Network in 2021. The new FOs are positioned to expand IDA reach into communities of color and in areas in the balance of the state. In 2022 two understandings will continue to guide the strategic direction of programming and funding: People need wealth to build wealth, and there persists a significant racial wealth gap in Oregon. IDA Asset Options will continue to support Economic Stability, Wealth Building, and Bridging (asset options to counter to the wealth stripping that contributes to the racial wealth gap).

- c. Continue to provide down payment assistance for low income homebuyers, focusing on homebuyers of color. Look for opportunities to strengthen affirmative marketing to communities of color in the balance of state. Consider conducting focus groups or other consultation with residents of color to increase the effectiveness of state homeownership programs in serving communities of color.**

The downpayment assistance and closing costs programs are administered by participating organizations for households with incomes at or below 100% area median income (AMI). The program is funded through the states' document recording fee and local construction excise taxes (CET). The state has also occasionally received general funds to supplement down payment assistance for culturally responsive organizations. In 2022, OHCS created a new DPA Framework which adds first generation homebuyers as eligible recipients of DPA. In response to rising home prices, OHCS increased the amount of document recording fee resource available per household from \$15 thousand to \$30 thousand for First-Time Homebuyers and Veterans and \$60 thousand for First Generation Homebuyers or 20% of the purchase price (whichever is less). Organizations can layer additional CET funds on top of the document recording fee funds.

- d. Continue to support homeownership counseling, homebuyers education, and financial education programs for low income Oregonians. Review and strengthen affirmative marketing of such programs to communities of color in the balance of state.**

Oregon supports 16 Homeownership Center (HOCs) by allocating funds to provide statewide coverage. Five of the HOCs are Culturally Specific: African American Alliance for Homeownership (AAAH), Bienstar Inc., Hacienda CDC, Portland Community & Reinvestment Initiative (PCRI), and Native American Youth & Family Center (NAYA). The program helps low- and moderate-income families with pre-purchase homebuyer education, financial coaching, financial literacy education and mortgage default counseling.

Additionally, in 2023, OHCS launched a new program focused on ending racial disparities in homeownership and provided outreach and language access grants to 14 community based organizations to increase affirmative marketing and access to homeownership programs in a culturally responsive way.

- e. **Engage the Portland branch of the Federal Reserve Bank of San Francisco to sponsor a workshop to identify actionable solutions to disparities in mortgage lending and the homeownership rate of persons of color in Oregon.**

OHCS has worked with the Federal Reserve Bank of San Francisco in the past but has not yet begun discussions on this topic. We look forward to continuing to collaborate with the Federal Reserve Bank to ensure that these matters raised by our organization, and the individuals we support, are integrated into our guidelines.

- f. **Explore the potential to help low- and moderate-income renters build credit through a positive rental reporting requirement; the credit bureaus will include positive rental payments in credit scores if they receive the information. This may include empowering tenants to opt to have rent payments reported to consumer credit bureaus in order to build credit through homeownership or other financial counseling programs.**

It is currently up to individual property managers and rental companies to track and report out on the rental history and positive payments. OHCS does not currently collect data on which companies are participating or are willing to participate in producing positive rental reporting or those willing to receive reports in lieu of a credit check. We hope to begin conversation on this action item in 2022 with a determination and possible framework for implementation in 2023 if action items are warranted.

Research Finding #3. Members of protected classes disproportionately experience barriers to accessing economic opportunity.

Impediments found to contribute to members of protected classes disproportionately experiencing barriers to accessing economic opportunities include:

- ***Impediment 3-1.*** Disparities in access to high quality learning environments by students of color, English language learners, and by students with disabilities are evidenced in school discipline rates, test scores, and graduation rates limit educational attainment and future employment opportunities of affected-students.
- ***Impediment 3-2.*** Inadequate internet infrastructure in rural Oregon disproportionately impacts families with children and people of color, limiting access to remote learning, employment opportunities, and telehealth.
- ***Impediment 3-3.*** The analysis of program beneficiaries found that none of the Microenterprise program participants were businesses owned by persons of color.
- ***Impediment 3-4.*** Since the last AI, the State of Oregon has entered into three settlement agreements to address failures to comply with ADA and Olmstead integration mandates related to lack of accessible ramps at state highway pedestrian crossings, lack of emphasis on supported employment in integrated environments rather than sheltered workshops, and lack of integrated, community based independent living options for residents with SPMI.
- ***Impediment 3-5.*** Lack of access to mental health services, substance use disorder treatment, and other supportive services leads to housing instability and homelessness, disproportionately impacting persons with disabilities, African Americans, Native Americans, and Hispanic Residents.

Recommended **Action Items** to address impediments:

- ***Action items for impediment 3-1.*** Disparities in access to high quality learning environments by students of color, English language learners, and by students with disabilities are evidenced in school discipline rates, test scores, and graduation rates limit educational attainment and future employment opportunities of affected-students.
 - a. **Continue to incentivize siting affordable housing in communities with strong economic assets like proficient schools, employment opportunities, and**

affordable and accessible transportation.

OHCS has integrated location based scoring into a number of its offerings in an attempt to ensure that residents of this housing are able to have access to the same community assets as higher income community members enjoy. This is best characterized in OHCS's Qualified Allocation Plan (QAP), where a section titled Location Opportunity & Environmental factors provides points for applicants' whose future housing would be located in areas that are within walking distance to parks and public space, grocery stores, transit options, as well as schools. Additionally, points are provided for projects that will be sited in areas with both a high percentage of residents earning more than 100% of Area Median Income, as well as a low percentage of residents experiencing poverty.

b. Monitor implementation of the Student Success Act and encourage provisions of student enrichment or before/after school learning opportunities in OHCS funded properties with supportive services for families.

OHCS did not actively investigate and work on this action item in 2022. We hope to begin conversation on this action item in 2023 with a determination and possible framework for implementation in 2023 if action items are warranted.

- **Action items for impediment 3-2.** Inadequate internet infrastructure in rural Oregon disproportionately impacts families with children and people of color, limiting access to remote learning, employment opportunities, and telehealth.

a. Continue to seek opportunities to increase internet infrastructure in rural Oregon, especially in unserved low-income areas and communities of color.

The Broadband Equity Access and Deployment and State Digital Equity Planning Grant Programs provide \$48 billion for broadband infrastructure deployment and access to the technologies, skills and knowledge needed to participate in the 21st century economy. Funded by the Infrastructure Investment and Jobs Act (IIJA) the Digital Equity Act provides \$2.75 billion to establish three grant programs to promote digital equity and inclusion and ensure that all people can access affordable and reliable broadband internet, affordable computing devices and the skills needed to learn work and more.

In 2023, the Broadband Office focused our efforts to develop grant programs that promote, support and facilitate the future construction and deployment of high-speed internet in Oregon. The Broadband Office looks forward to further success in 2024 by opening several grant programs for application and continuing the planning and development of the Broadband Equity, Access & Deployment

Program (BEAD) and Digital Equity (DE) programs. In alignment to that effort, since 2023 the Community Development Block Grant (CDBG) program has created a new broadband planning grant that low-income communities may apply for to create a ready to construct plan/study to expand internet infrastructure and make it available to boost the economic development, education, and health services to the rural areas of Oregon.

- **Action items for impediment 3-3.** The analysis of program beneficiaries found that none of the Microenterprise program participants were businesses owned by persons of color.

- a. **Review and strengthen affirmative marketing of direct-to-consumer CDBG programs like the Microenterprise program and continue to prioritize developing relationships with culturally specific and culturally responsive organizations operating in the balance of state.**

The Community Development Block Grants (CDBG) program requires that all low-income communities receiving funding are to effectively conduct marketing of direct to customer of all projects/ facilities/ services for which they received a grant. CDBG has used the CARES Act funds they received to continue and fund low-income or underrepresented communities that own or operate local businesses and retain LMI jobs. In 2023, the State finalized the direct administered Statewide Small Business and MicroEnterprise Assistance benefiting 243 businesses and retained 1,087 LMI jobs. The programs are to assist MicroEnterprise and Small Businesses to remain solvent in maneuvering through the current tough economic situation as the country is recovering from the major pandemic. For projects that are construction or rehabilitation nature in nature, the State put in place requirements to ensure contractors are allowing opportunities to LMI workers to be a part of the project should new workers be needed by reaching out to underserved community.

- **Action items for impediment 3-4.** Since the last AI, the State of Oregon has entered into three settlement agreements to address failures to comply with ADA and Olmstead integration mandates related to lack of accessible ramps at state highway pedestrian crossings, lack of emphasis on supported employment in integrated environments rather than sheltered workshops, and lack of integrated, community based independent living options for residents with SPMI.

- a. **Continue to prioritize progress on the state's three ADA and Olmstead -related settlement agreements. Look for opportunities to go above and beyond the**

requirements, prioritizing accessibility and adaptability in projects.

HUD 811 PRA's purpose is to provide integrated housing with rental assistance and supportive services (made available by our partners ODHS and OHA). In the last 12 months, we have added twenty-one units throughout Oregon with an additional forty units available this June.

To assist with prioritizing accessibility, there are thirty-one of the 71 HUD 811 PRA units are identified as accessible. To highlight, 30 of the units (available June) multi-features in each unit: ADA appliances: Range, microwave, refrigerator, and dishwasher; Lowered and heat resistance countertops; Motorized upper kitchen cabinets; Resilient flooring; Motorized window treatments; Smart device to control lighting and thermostat; Bedrooms equipped with Red/Green/Blue light therapy; Raised toilet seats, wet bathroom, roll-in shower, and roll under vanities.

- **Action items for impediment 3-5.** Lack of access to mental health services, substance use disorder treatment, and other supportive services leads to housing instability and homelessness, disproportionately impacting persons with disabilities, African Americans, Native Americans, and Hispanic Residents.

- a. **To the extent possible partner with state and local government agencies to increase the availability of mental health services, substance use disorder treatment, case management, and other services demonstrated to increase housing stability in vulnerable populations, especially those with disabilities, a history of mental illness or substance use disorders, or other trauma. These services should not be limited to Permanent Supportive Housing.**

The Oregon Health Authority is currently developing the 1115 Medicaid waiver in partnership with the Centers for Medicaid and Medicare Services (CMS) that will allow OHA to fund tenancy support services with Medicaid dollars and what services are currently allowable for reimbursement through CCOs. Additionally, OHCS' has implemented a stakeholder engagement series with representatives from Oregon's nine federally recognized Tribes to better understand their housing and behavioral health needs and create pathways to provide support. Additionally, Oregon increased investments in Navigation Centers for people with complex needs who are facing homelessness. In 2020, Ballot Measure 110 created the Drug Treatment and Recovery Services Fund established and replenished through excess marijuana tax revenue. To date, the Drug Treatment and Recovery Services Fund has distributed more than \$39 million to Behavioral Health Resource Networks in Oregon. Also in 2021, oversight and administration of the Mental Health Housing

Fund was transferred from OHCS to Oregon Health Authority and renamed the Behavioral Health Housing Fund.

Research Finding #4. Residents still lack knowledge of their fair housing rights, are not empowered to take action, and have very limited fair housing resources locally.

Impediments related to this finding include:

- **Impediment 4-1.** Residents still have low awareness of their fair housing rights and of resources available to them to assert their rights, especially in the balance of the state. Building the fair housing capacity of local culturally specific and culturally relevant organizations is needed.
- **Impediment 4-2.** Landlords, especially medium and small housing providers in the balance of state, would benefit from fair housing education and training, especially related to reasonable accommodations and source of income protections.
- **Impediment 4-3.** Oregon Bureau of Labor & Industries (BOLI) has made some improvements since last AI, the compliant process remains lengthy and complex, and the state is still not substantially equivalent.

Recommended **Action Items** to address impediments:

- **Action items for impediment 4-1.** Residents still have low awareness of their fair housing rights and of resources available to them to assert their rights, especially in the balance of the state. Building the fair housing capacity of local culturally specific and culturally relevant organizations is needed.
 - a. **Continue to fund the presence of fair housing educators and enforcement staff outside of the Portland MSA. Continue to dedicate resources to nurture effective partnerships between fair housing organizations and local culturally specific and culturally relevant organizations to increase fair housing knowledge and empower residents to assert their rights.**

OHCS has entered into an agreement with FHCO to provide statewide access to fair housing resources, including FHCO’s discrimination hotline, provide education and training services including up to 15 trainings per year and outreach activities designed to inform community groups, stakeholders, housing providers, and policy making bodies specifically in non-entitlement areas or offered statewide about fair housing and protections from discrimination. OHCS sends out technical advisory notices to its

partners inviting them to take part in these trainings.

b. Require front line staff at partner organizations involved in housing or supportive services to take fair housing training.

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- **Action items for impediment 4-2.** Landlords, especially medium and small housing providers in the balance of state, would benefit from fair housing education and training, especially related to reasonable accommodations and source of income protections.

a. Explore policies including legislation, to require housing providers to participate in fair housing training.

Work on this action item did not progress in 2022. Concurrent to planning related to fair housing training and education, in 2022, OHCS is convening internal multidisciplinary groups to discuss policy related to: fair housing training requirements, complaint processes, tracking and monitoring, enforcement, and possible measures to increase accountability.

- **Action items for impediment 4-3.** Oregon Bureau of Labor & Industries (BOLI) has made some improvements since last AI, the compliant process remains lengthy and complex, and the state is still not substantially equivalent.

a. Partner with BOLI to streamline the compliant process to increase ease of consumer use and to speed response and resolution times.

OHCS intends to begin conversation with BOLI to determine if, and how, OHCS might be able to support their important work in this area.